

**FINAL REPORT
OF THE
INTERIM STUDY COMMITTEE
ON
RURAL AND AGRICULTURAL ISSUES**



**Indiana Legislative Services Agency
200 W. Washington St., Suite 301
Indianapolis, Indiana 46204-2789**

November, 2000

Interim Study Committee on Rural and Agricultural Issues

Membership Roster

Representatives

**Markt Lytle, Chair
Madison**

**Robert Cherry
Greenfield**

**John Frenz
Vincennes**

**William Friend
Macy**

**Scott Mellinger
Pendleton**

**Jeffrey Thompson
Danville**

Senators

**Robert Jackman, V. Ch
Milroy**

**Sue Landske
Cedar Lake**

**Connie Lawson
Danville**

**James Lewis
Charlestown**

**Katie Wolf
Monticello**

**Richard Young
Milltown**

Legislative Services Agency Staff

**Brian Tabor, Fiscal Analyst
Steve Wenning, Staff Attorney**

FINAL REPORT

Interim Study Committee on Rural and Agricultural Issues

I. LEGISLATIVE COUNCIL DIRECTIVE

According to Legislative Council Resolution 00-1 (as adopted May 25, 2000), The Legislative Council directed the Interim Study Committee on Rural and Agricultural Issues to study and make findings and recommendations concerning the topics assigned to it. The three topics assigned to the Committee were as follows:

- A. Study the relationship of buried utilities to the limited spacing for the postal system (HR 100);
- B. Study regional water and sewer districts (HR 102, HB 1248); and
- C. Study the creation of a "safety net" for Indiana family farms (SCR 62).

II. SUMMARY OF WORK PROGRAM

The Committee met four times during the 2000 interim:

1. The first meeting was held on August 2, 2000 in Room 233 of the State House in Indianapolis, Indiana. The meeting was devoted to the generation of ideas for additional topics of study and organization of the Committee's work program. Public comments and suggestions were also heard at this meeting.
2. The second meeting was held on September 6, 2000 at the Jennings County Public Library in North Vernon, Indiana. The Committee heard testimony regarding: (1) regional water and sewer districts; (2) issues facing Indiana's tobacco farmers; and (3) Internet service in rural communities.
3. The third meeting was held on October 12, 2000 at the Tractor Supply Company in Pendleton, Indiana. The Committee heard testimony regarding: (1) issues facing Indiana's tobacco farmers; and (2) regional water and sewer districts.
4. The fourth meeting was held on October 25, 2000 in Room 128 of the State House in Indianapolis, Indiana. The Committee heard testimony regarding: (1) regulation of farm trucks; (2) "safety nets" for Indiana family farms; (3) issues facing Indiana's tobacco farmers; (4) regional water and sewer districts; and (5) buried utilities.

III. SUMMARY OF TESTIMONY

This section is a general summary of the testimony and written comments received by the Committee. To read a more complete record of this testimony, the minutes for the Committee's four meetings can be found on the homepage of the Indiana General Assembly, www.state.in.us. The Committee heard testimony on the following topics:

- Issues Facing Indiana's Tobacco Farmers

The Committee heard testimony from the Indiana Tobacco Growers Association recommending the examination of voucher systems, formation of cooperatives, and promoting the growing and marketing of alternative crops. Tobacco farmers also explained the problems they face and suggested legislation enabling marketing and bargaining alliances. Citizens Action Coalition expressed its concern for Indiana's tobacco farmers and suggested that Indiana's Attorney General aggressively pursue anti-trust action against large agribusiness firms.

The Indiana Farm Bureau was among several witnesses who were concerned that the farmer assistance fund established in this past session's tobacco legislation is itself unfunded. The Committee was also informed by the Chairman of ongoing efforts of Committee members to help tobacco farmers. Chairman Lytle related testimony and topics discussed at meetings with the Governor's Office and the Office of the Commissioner of Agriculture.

- Regional Water and Sewer Districts

At its first organizational meeting, Senator Johnny Nugent addressed the Committee and stressed the need for public choice in selecting and purchasing sewer services. Senator Nugent also stated that public participation in the creation and operation of the districts is a right. The Committee later heard public testimony at its meeting in Jennings County and Madison County. The concerns expressed by the People for Choice and the South Madison County Concerned Citizens Association (and other individuals testifying) included:

- management quality of regional sewer districts (RSDs);
- high hook-on fees and monthly rate bases;
- greatly differing rates within service areas;
- a district's use of bonding instead of the pursuit of grants;
- the inability of citizens to choose whether or not to hook-up;
- the need for more Indiana Department of Environmental Management and Indiana Utility Regulatory Commission oversight;
- the influence of professional lobbyists over the input of citizens;
- RSD boards not reflecting the population of service areas;
- audits conducted by the State Board of Accounts not being reviewed;
- insufficient disclosure of RSD finances; and
- the concern that some homes are served not out of necessity, but rather to fund expansion of RSDs.

The Committee then heard testimony from RSD officials. Some of the points emphasized during this testimony were:

- RSDs provide an essential service;
- they must maintain a "critical mass" of a customer base to be self-sufficient;
- board appointments should be made by elected officials; and
- Indiana Utility Regulatory Commission (IURC) oversight will increase rates.

Local health department officials told Committee members that they were concerned with any waivers or exemptions from forced hook-ups and felt that these could jeopardize their ability to ensure public health and protect the environment. It was suggested that even new septic systems do not always work well and that any waivers should only be granted with concurrence

from the local health department. There was also concern that changes in state law would impact certain local ordinances regarding RSDs. Representatives of the Patoka Lake Regional Sewer and Water District and the Indiana Waste and Wastewater Association felt that waivers from forced hook-ups would hamper the ability of RSDs to finance projects.

- Buried Utilities and Limited Spacing for the Postal System

The Committee heard testimony regarding HR 100-2000 (one of the charges assigned to the Committee by the Legislative Council). The owner of a mailbox installation business related the dangers associated with the placement of gas lines in right-of-ways as opposed to utility easements. There was discussion among legislators concerning the jurisdiction over the placement of utility lines, and Committee members urged that the concerned citizen ask his senator and representative to introduce legislation in the upcoming session to address this topic.

- “Safety Nets” and Equity for Indiana Family Farms

The Committee heard testimony from a representative of the Campaign for Economic Justice. This representative outlined changes in agricultural commodity markets and conditions faced by Indiana farmers. The representative also suggested that a loan program be established to help indebted farmers meet debt service payments. Citizens Action Coalition expressed its support of such a program.

- Internet Service in Rural Communities

A representative of GTE (now Verizon Communications) testified regarding the firm’s cooperation with the Rochester Telephone Company to provide internet service in Representative Friend’s district. There was also some discussion of other areas in Indiana where such partnerships may help rural communities obtain high-technology services.

- Regulation of Farm Trucks

The Committee heard testimony regarding Indiana’s adoption of the Federal Motor Carrier Safety Regulations (FMCSR) and the enforcement policies of the Commercial Vehicle Enforcement Division of the Indiana State Police. Testimony was also given regarding an incident in Knightstown, Indiana which generated interest among certain Committee members. A representative of the Commercial Vehicle Enforcement Division answered questions from Committee members regarding farm truck regulation of farm trucks. The Committee also heard testimony from the Indiana Farm Bureau stressing the need for communication between regulating entities and farmers.

IV. COMMITTEE FINDINGS AND RECOMMENDATIONS

The Committee made the following recommendations:

- A. Chairman Lytle proposed a Concurrent Resolution which urges the General Assembly to appropriate \$40 million dollars for agricultural transition research, regional farm markets, a livestock facility, studies of alternative crops, funding for the Indiana Rural Development Council, and other educational programs. After Committee discussion, an amended resolution passed by a roll call vote of 8-0.

- B. The Committee recommended that members of the General Assembly study the creation of agricultural exemptions for farm trucks from certain motor vehicle regulations. This motion passed by a unanimous vote by a vote of 9-0.
- C. The Committee voted 7-0 to recommend, regarding regional sewer districts (RSDs), that:
 - 1. a credit or exemption system be considered for homes or businesses with septic systems less than five years old;
 - 2. a local governing appeal process for rates be established;
 - 3. annual reports should be made available by a sewer or water district to its customers; and
 - 4. a removal process of RSD board members be reviewed.

V. APPROVAL

This final report was approved by a vote of 7-0 by the Committee at its final meeting on October 25th, 2000.

WITNESS LIST

August 2, 2000

Donna Marsh, People for Choice
Francis Bradley, Campaign for Economic Justice
James Benham, President, Indiana Tobacco Growers Association, Inc.
Paul Anderson, Ripley County farmer
Jim Hoyer, Citizens Action Coalition
Bob Kraft, Indiana Farm Bureau
John R. Holmes, Executive Director, Indiana Waste and Wastewater Association
Lynn Dennis, Nature Conservancy
Ivan Wagner, Madison County citizen
Paul Caporale, Caporale Posts, Inc.

September 2, 2000

Senator Johnny Nugent
Neil Krevda, Verizon Communications
Donna Marsh, People for Choice
Public testimony: various Jennings County citizens

October 12, 2000

David Bulter, South Madsion County Concerned Citizens Association (SMCCCA)
Andrea McClain, SMCCCA
Ivan Wagner, SMCCCA
Tom Hall, SMCCCA
Jarret Dixon, Madison County citizen
Jodi Holt, Madison County citizen
Joe Rowlett, Fall Creek Regional Waste District

October 25, 2000

Inspector Dave Keesling, Commercial Vehicle Enforcement, Indiana State Police
Francis Bradley, Campaign for Economic Justice
Jim Hoyer, Citizens Action Coalition
John Cardwell, Citizens Action Coalition
Connie Stevens, District Manager, South Henry Regional Waste District
Mike Mettler, Huntington County Department of Health
Tom Carr, Supervisor, Madison County Health Department
Mike Phillips, representing the Patoka Lake Regional Sewer and Water District
John R. Holmes, Executive Director, Indiana Waste and Wastewater Association
Paul Caporale, Caporale Posts, Inc.